Consolidated Fund of the State of Uttar Pradesh for the services of a part of the financial year 1997-98."

The motion was adopted.

SHRI P. CHIDAMBARAM : I introduce** the Bill.

SHRI P. CHIDAMBARAM : I beg to move :

"That the Bill to provide for the withdrawal of certain sums from and out of the Consolidated Fund of the State of Uttar Pradesh for the services of a part of the financial year 1997-98, be taken into consideration."

MR. CHAIRMAN : The question is :

"That the Bill to provide for the withdrawal of certain sums from and out of the Consolidated Fund of the State of Uttar Pradesh for the services of a part of the financial year 1997-98, be taken into consideration."

The motion was adopted.

MR. CHAIRMAN : The House shall now take up clause-by-clause consideration.

The question is :

"That clauses 2 and 3 stand part of the Bill."

The motion was adopted.

Clauses 2 and 3 were added to the Bill.

MR. CHAIRMAN : The question is :

"That schedule stand part of the Bill."

The motion was adopted.

The schedule was added to the Bill.

MR. CHAIRMAN : The question is :

"That clause 1, the Enacting Formula and the Long Title stand part of the Bill."

The motion was adopted

Clause 1, the Enacting Formula and the Long Title were added to the Bill.

SHRI P. CHIDAMBARAM : I beg to move :

"That the Bill be passed."

MR. CHAIRMAN : The question is :

"That the Bill be passed."

The motion was adopted.

**Introduced with the recommendation of the President.

16.09 hrs.

[English]

UTTAR PRADESH APPROPRIATION BILL, 1997*

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : I beg to move for leave to introduce a Bill to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of the State of Uttar Pradesh for the services of the financial year 1996-97.

MR. CHAIRMAN : The question is :

"That leave be granted to introduce a Bill to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of the State of Uttar Pradesh for the services of the financial year 1996-97."

The motion was adopted.

SHRI P. CHIDAMBARAM : I introduce** the Bill.

SHRI P. CHIDAMBARAM : I beg to move :

"That the Bill to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of the State of Uttar Pradesh for the services of the financial 1996-97, be taken into consideration."

MR. CHAIRMAN : The question is :

"That the Bill to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of the State of Uttar Pradesh for the services of the financial 1996-97, be taken into consideration."

The motion was adopted.

MR. CHAIRMAN : The House will now take up clause-by-clause consideration of the Bill.

The question is :

"That clauses 2 and 3 stand part of the Bill."

The motion was adopted.

Clauses 2 and 3 were added to the Bill.

MR. CHAIRMAN : The question is :

"That schedule stand part of the Bill."

The motion was adopted.

The schedule was added to the Bill.

* Published in the Gazette of India Extraordinary, Part-II, Section-2 dated 15.3.97.

** Introduced with the recommendation of the President.

MR. CHAIRMAN : The question is :

"That clause 1, the Enacting Formula and the Long Title stand part of the Bill."

The motion was adopted.

Clause 1, the Enacting Formula and the Long Title were added to the Bill.

SHRI P. CHIDAMBARAM : I beg to move :

"That the Bill be passed."

MR. CHAIRMAN : The question is :

"That the Bill be passed."

The motion was adopted.

16.12 hrs.

STATUTORY RESOLUTION RE : DISAPPROVAL OF INCOME-TAX (SECOND AMENDMENT) ORDINANCE

AND

INCOME-TAX (AMENDMENT) BILL, 1997*

[English]

MR. CHAIRMAN : Now we go to Item Nos. 14 and 15.

...(Interruptions)

MR. CHAIRMAN : There should be peace in the Treasury Benches.

[Translation]

SHRI AMAR PAL SINGH (Meerut) : Sir, I beg to move :

"That this House disapproves the Income Tax (Second Amendment) Ordinance, 1996 (No. 32 of 1996) promulgated by the President."

Mr. Chairman, Sir, in the Constitution of India, the Hon. President of India has got legal rights according to the ordinance. If a grave situation of an emergency arises, and the situation cannot be tackled according to the prevailing laws, in that condition the Central Cabinet can tackle the situation by getting the Ordinance issued by the President. But when the Lok Sabha session was to begin on 20th February about which the notice had been issued on 27th January, 1997, in this situation, issuance of this ordinance on 31 December, 1996 was a misuse of the rights mentioned in the Constitution. The changes which the government wanted to bring about in the Income Tax structure in the Income Tax Act 1961 could be brought about during the Budget Session. As per the provision of the amendment to Income Tax Act 1961, if a person's house is raided a notice is issued with in 15 days by the Officer who makes the assessment. This article is in fact, incomplete in itself. An addition has been made in this Article to the effect that the officer making an estimate is provided with 15 days minimum and 25 days maximum time period.

Mr. Chairman, Sir, in 158(b) the provision has been added that if somebody is raided under that Article, he is exempted from filing the return and his case can be finalised within two years, but 2% interest is charged on the the tax that was levied till now. Now, instead of that new provision has been made for a fine of Rs. 300/- coupled with punishment. This is a big torture, because torture itself is the mother of corruption. Now-a-days the industrialists and businessmen of our country do not have black money. That has gone to big officers and the politicians. The proposed amendment in Income Tax is a hurdle in the implementation of schemes.

Many a time innocent people are caught up in this because of ignorance and the income tax officers torture these innocent people. I come across such an example even today in my constituency that a young man of 25 years has set up an industry and he is in the grip of blood-pressure problem when he attains the age of 30. He does not get it because of financial problems, but because of the torture he is subjected to at the hands of the Government. I oppose 158(b) and suggest that the provision of 10% is enough instead of 2% interest on undisclosed wealth and 300% fine and penalty. If this provision of punishment and 300% fine is not waived of, there will be such a hard assessment that the emergency situation of 1975 will be repeated.

An assurance has been given that sources of the wealth of the foreign companies which are coming into our country to establish their business here need not to be disclosed when the black money is with the corrupt officers and corrupt politicians instead of businessmen, the Minister has made a provision to save them in the sense that they can invest their black money in foreign companies. This way the businessman will be harassed if he wants to pay the tax. So, I would request and abatement in the provisions of 158 (b), 300% fine an punishments. Section 80-G of Income Tax Act, 1961 has been amended. Under this provision, only selected few establishments have been exempted from tax on the capital given to them, and there is a need to increase its ambit. Under this, some such unstitutions should also be provided with this exemptions which will serve the people in a big way at the time of emergency and which have some footing. I would like to cite an example. When Uttarakhand was hit by an earthquake the government agencies did not render that extent of service which the

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*Published in the Gazette of India, Extraordinary, Part-II, Section-2 dated 15.3.97.